



Mayor Mike McGinn's

2013-2014 Proposed Budget

Our Approach

Four years after the start of the Great Recession and three years following its lackadaisical conclusion, the City of Seattle is starting to see some easing on the General Fund budget constraints. While still not back to prerecession levels, strength in the local economy relative to national trends, vigilant financial management over the past two years, conservative planning assumptions, and continued efforts to find new and more efficient ways of doing business are giving the City a bit more flexibility than in recent years to make investments in emerging needs. Budget cuts are more modest than originally anticipated and we have gained some flexibility to make important investments. Mayor Mike McGinn's 2013-2014 Proposed Budget is a mix of retooling, reprioritizing and investing in emerging needs.

Local Economic Strength is Key

- Since the end of the Great Recession, employment growth in the Seattle Metro area is 6.6% compared with the rest of the state at 1.9% and the U.S. at 3.1%.
- Taxable retail sales growth of over 13.2% between the first quarter of 2010 and the first quarter of 2012 in Seattle versus 6.3% statewide.
- Construction sales up 34% in Seattle through the first quarter of 2012 from the post-recession low.

2013-2014 Proposed Budget by the Numbers

- **2013 Proposed Budget totals \$4 billion**, including the City's **\$951 million General Fund**.
- While the 2013-2014 Proposed Budget **eliminates 65 full-time equivalents (FTE)**, **119 FTEs are added** to address **newly reprioritized investments**. For the most part, **these adds are either rate-, grant- or revenue-backed**. An **additional net increase of 7 FTEs** results from **changes impacting part-time positions**.
- **Adds as much as \$24 million** over the biennium **to support** various efforts and initiatives by the **Seattle Police Department**, including **hiring 10 new police officers** and **purchasing a gunshot locator system**.
- Reflecting the importance of library services to Seattle residents, the **General Fund continues providing \$48 million** and **\$50.1 million** in support **for the Library in 2013 and 2014** respectively.

2013-2014 Proposed Budget by the Numbers (continued)

- **Adds \$8.3 million to the Rainy Day Fund over the course of the biennium, bringing the 2014 balance to \$30 million, the same amount that was in the fund in 2008, at its peak.**
- **A 2011 agreement with the City's labor unions**, which affects 6,000 City employees, continues providing financial relief Citywide through a lower salary base, and will **save the General Fund nearly \$5.2 million over 2013 and 2014** and a **cumulative savings Citywide of \$25.2 million over four years.**
- **Expands** after-school and late-night **hours at seven community centers serving at-risk youth** and adds **\$1.68 million** in 2013 to serve **450 additional at-risk youth** through the **Youth Violence Prevention Initiative**, bringing the total number served through the initiative to **1,500.**
- **Adds \$620,000 to support homeless families** for a total investment of **\$980,000.**
- **Adds \$500,000 to provide subsidies to 75 more children**, reducing the waiting list of 325 children **whose families are seeking subsidy support for childcare costs** by 23%.
- **Invests** more than **\$21 million** over the biennium, using multiple revenue sources, **to support critical transportation infrastructure needs, including \$5 million to improve Seattle's streets** and **\$6 million to advance four new high-capacity transit lines** in Seattle.
- **Transfers** operations of one of the City's premiere cultural facilities, the **Langston Hughes Performing Arts Center (LHPAC)**, from the Seattle Parks and Recreation Department **into the Office of Arts & Cultural Affairs (OACA)**, aligning it with OACA's mission, and **shifting \$400,000 of its operating costs from the General Fund to the Admissions Tax.** The General Fund will continue **providing \$270,000 to support LHPAC.**

Change in 2013 Full-Time Equivalents (FTEs)

The table on the following page provides information regarding changes in the number of FTEs for 2013. Additions for Seattle City Light are rate supported, while most of the Human Services Department's additional FTEs are supported by grant funds. The Department of Finance and Administrative Services' additional FTEs are largely backed by revenues associated with work performed by those FTEs. The General Fund covers the Seattle Police Department's FTE increase, which are primarily Parking Enforcement Officers, who in turn generate revenue.

Change in 2013 Funded Full-Time Equivalents (FTEs) (continued)

Department	Net Change in Funded FTEs
City Budget Office	1.00
Dept. of Finance & Administrative Services	20.00
Department of Information Technology	2.00
Department of Neighborhoods	0.75
Department of Parks & Recreation*	(7.02)
Department of Planning & Development	15.50
Human Services Department	22.50
Legislative Department	(1.00)
Office of Arts & Cultural Affairs*	7.74
Office of Economic Development	(1.50)
Office of Immigrants and Refugee Affairs	1.00
Personnel Department	(1.50)
Seattle Center	(3.50)
Seattle City Attorney	(1.50)
Seattle City Light	19.50
Seattle Department of Transportation	4.50
Seattle Fire Department	(2.00)
Seattle Public Library	46.00
Seattle Municipal Court	(1.50)
Seattle Police Department	23.00
Seattle Public Utilities	(10.50)
Grand Total**	133.47

* The bulk of these FTE impacts are the result of shifts between these departments

** Does not include 25 unfunded FTEs that are created in the event that contract work can be brought in house

REVENUES: WHERE THE MONEY COMES FROM

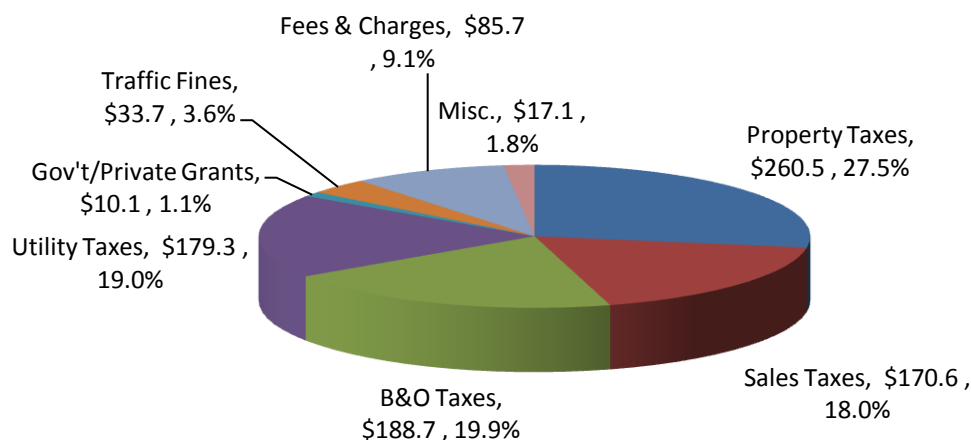
Seattle City government has four main sources of revenue supporting the services and programs the City provides its residents:

- **Taxes, license fees and fines** support activities typically associated with City government, such as police and fire services, parks, and libraries.
- **Fees for services, regulatory fees and dedicated property tax levies** partially or completely support certain City activities. Examples of City activities funded in whole or in part with fees include Seattle Center, parks and recreational facilities, and building inspections.
- **Grants from private, state and federal agencies** support a variety of City services, including social services, street and bridge repair, and targeted police services.
- **Charges to customers for services** fund City utilities (electricity, water, drainage and wastewater, and solid waste).

In 2013, total City government revenue, including utilities, is projected to be \$4.2 billion.

In 2013, general government revenue is projected to total \$945.8 million.

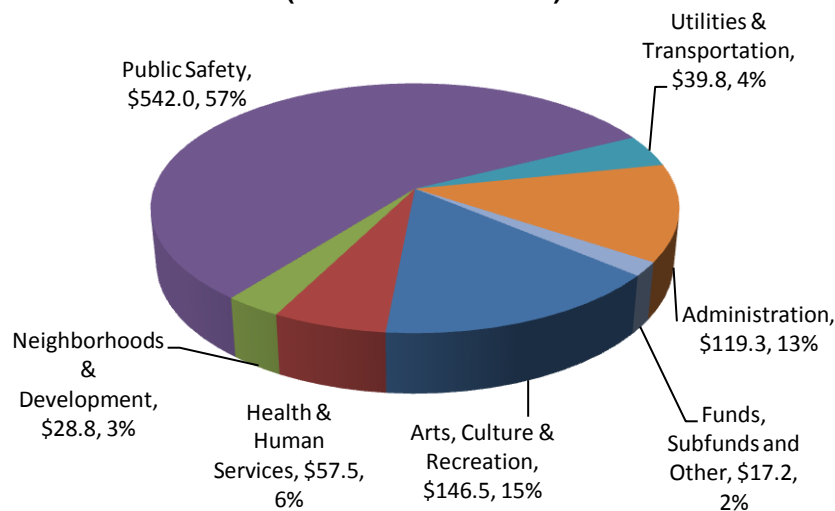
2013 General Fund Revenue Forecast - \$945.8 million
(in millions of dollars)



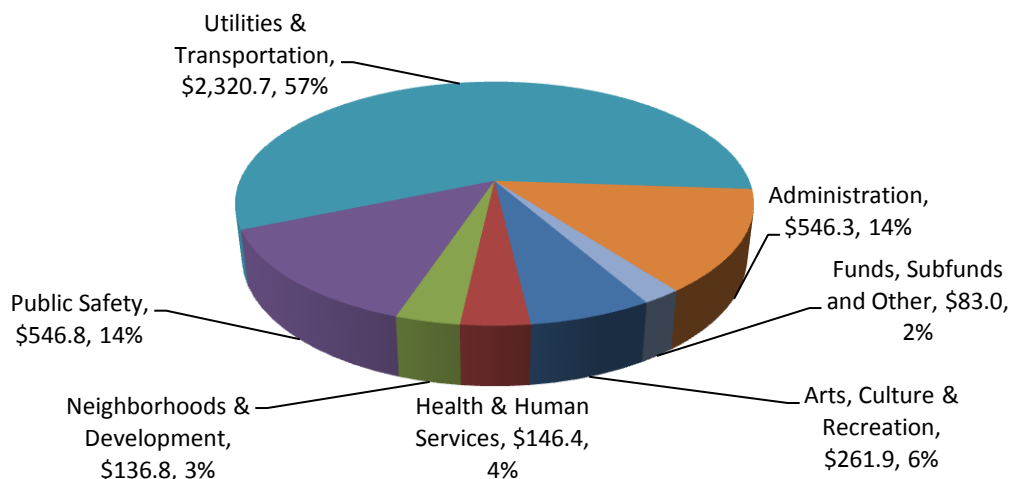
EXPENDITURES: WHERE THE MONEY GOES

The Mayor and Council have the most discretion over operating expenditures associated with the General Fund, which pays for services such as police, fire, parks and libraries. The following pie charts show total operating expenses for 2013 by major service category. The first chart represents General Fund expenses; the second the entire budget.

**2013 Proposed General Fund Expenditures -
\$951 Million
(in millions of dollars)**



**2013 Proposed Expenditures - All Funds, \$4 Billion
(in millions of dollars)**



EXPENDITURE SUMMARY

(in thousands of dollars)

Department	2012 Adopted		2013 Proposed		2014 Proposed	
	General Subfund	Total Funds	General Subfund	Total Funds	General Subfund	Total Funds
Arts, Culture & Recreation						
Office of Arts and Cultural Affairs ⁽¹⁾	0	7,373	0	7,077	0	7,278
The Seattle Public Library	49,545	53,587	48,044	66,321	50,131	68,325
Department of Parks and Recreation	81,464	175,239	85,480	151,662	90,967	143,177
Seattle Center	12,876	38,340	12,981	36,790	13,466	37,376
SubTotal	143,884	274,539	146,505	261,850	154,564	256,156
Health & Human Services						
Educational and Developmental Services Levy	0	19,471	0	24,581	0	28,941
Human Services Department	54,352	114,870	57,469	121,861	59,533	124,673
SubTotal	54,352	134,340	57,469	146,442	59,533	153,613
Neighborhoods & Development						
Office of Economic Development	5,865	9,957	6,135	9,119	6,230	7,439
Office of Housing	86	40,472	0	49,736	0	49,953
Department of Neighborhoods	8,464	8,464	10,378	10,378	10,854	10,854
Neighborhood Matching Subfund	2,779	3,093	2,991	3,311	3,066	3,393
Pike Place Market Levy	0	4,102	0	8,955	0	8,952
Department of Planning and Development	9,196	51,093	9,249	55,338	9,547	56,345
SubTotal	26,390	117,180	28,753	136,837	29,697	136,936
Public Safety						
Criminal Justice Contracted Services	22,742	22,742	22,492	22,492	23,236	23,236
Fire Facilities Fund	0	9,232	0	1,248	0	1,248
Firemen's Pension	18,875	20,189	18,273	20,017	18,060	19,829
Law Department	19,189	19,189	20,361	20,361	20,966	20,966
Municipal Jail	0	1,000	0	1,000	0	1,000
Police Relief and Pension	21,312	22,185	18,987	19,787	18,558	19,359
Seattle Fire Department	160,957	160,957	166,290	166,290	173,684	173,684
Seattle Municipal Court	26,638	26,638	27,507	27,507	28,289	28,289
Seattle Police Department	252,217	252,217	268,136	268,136	265,974	265,974
SubTotal	521,931	534,350	542,046	546,838	548,766	553,584
Utilities & Transportation						
Seattle City Light	0	1,135,550	0	1,142,280	0	1,199,983
Seattle Public Utilities	1,205	819,238	1,139	849,920	1,167	903,285
Seattle Transportation	37,636	310,651	38,669	317,888	39,072	385,297
Seattle Streetcar	0	878	0	731	0	5,700
Central Waterfront Improvement	0	2,000	0	9,890	0	595
SubTotal	38,841	2,268,316	39,808	2,320,709	40,239	2,494,860

Administration

Civil Service Commissions	344	344	373	373	386	386
City Budget Office	4,031	4,031	4,086	4,086	4,206	4,206
Department of Information Technology	4,150	49,151	4,609	55,865	4,977	87,128
Employees' Retirement System	0	12,257	0	13,284	0	13,396
Ethics and Elections Commission	760	760	898	898	783	783
Finance General	51,872	51,872	51,217	51,217	52,017	52,017
Finance and Administrative Services ⁽²⁾	21,751	172,881	21,543	191,491	22,804	202,010
Legislative Department	11,771	11,771	12,066	12,066	12,443	12,443
Office of City Auditor	1,251	1,251	1,510	1,510	1,356	1,356
Office of Hearing Examiner	608	608	635	635	656	656
Office of Immigrant and Refugee Affairs	238	238	361	361	373	373
Office of Intergovernmental Relations	2,091	2,091	2,018	2,018	2,080	2,080
Office of Sustainability and Environment	1,821	1,821	1,896	1,896	2,022	2,022
Office of the Mayor	3,498	3,498	3,641	3,641	3,758	3,758
Personnel Compensation Trust Subfunds	0	184,192	0	192,569	0	207,217
Personnel Department	11,531	11,531	11,815	11,815	12,171	12,171
Seattle Office for Civil Rights	2,566	2,566	2,614	2,614	2,738	2,738
SubTotal	118,282	510,862	119,282	546,338	122,771	604,740

Funds, Subfunds and Other

Bonds Debt Service ⁽³⁾	13,092	20,065	13,695	19,475	16,773	18,724
Cumulative Reserve Subfund ⁽⁴⁾	0	2,105	0	38,585	0	30,350
Fiscal Reserve Subfunds	0	0	0	566	0	0
Judgment/Claims Subfund	1,191	17,830	648	15,034	758	16,859
Parking Garage Fund	0	8,093	2,813	9,359	2,032	8,688
SubTotal	14,283	48,093	17,156	83,018	19,563	74,621

Grand Total*	917,962	3,887,680	951,018	4,042,033	975,133	4,274,510
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*Totals may not add due to rounding

Notes:

- (1) Includes a dedicated amount based on receipts from Admission Tax.
- (2) The amounts in the "Total Funds" column include appropriations from the Asset Preservation Subfund.
- (3) The amounts in the "Total Funds" column reflect the combination of the General Subfund Limited Tax General Obligation (LTGO) bond debt obligation and the Unlimited Tax General Obligation (UTGO) bond debt obligation. Resources to pay LTGO debt payments from non-General Subfund sources are appropriated directly in operating funds.
- (4) This amount does not include the Cumulative Reserve Subfund-supported appropriations for Seattle Department of Transportation (SDOT) because they are included in the SDOT appropriations, and does not include appropriations from the Asset Preservation Subfund because they are included in the Finance and Administrative Services appropriations.

The 2013-2014 Proposed Budget is available online on the City Budget Office's website:

<http://www.seattle.gov/financedepartment/>